



**Explanatory report of the Board of Directors of Giglio Group S.p.A. on the proposed resolution for (i) the paid share capital increase in tranches and with the exclusion of the right of option, pursuant to the par. 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio Group S.p.A. shares and regular dividend, to be released in cash, reserved for the Majority Shareholder and other qualified or institutional investors and for (ii) the granting of a proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital for a fee for the part of the capital increase that is divisible for payment with the exclusion of the approved option right, equal to € 5,000,000 including any share premium, not subscribed by the deadline of 31 December 2023, to be carried out in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as the outstanding ones and regular dividend, with the exclusion of the right of option, pursuant to par. 5 and 6 of the art. 2441 of the Italian Civil Code, to be released in cash, reserved for the Majority Shareholder and other qualified or institutional investors**

*(drafted pursuant to Art. 72, par. 1 and 6 and Annex 3A, scheme no. 2 of the regulation adopted by CONSOB with resolution no. 11971/1999, as subsequently amended and integrated)*

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This Information Document is available to the public at the registered office of Giglio Group S.p.A., in Milan (MI), Piazza Diaz no. 6, 20123, on the Company's website ([www.giglio.org](http://www.giglio.org)), as well as on the authorized storage mechanism eMarket STORAGE ([www.emarketstorage.com](http://www.emarketstorage.com)).

Dear Shareholders,

The Board of Directors of Giglio Group S.p.A. (the "**Company**" or "**Giglio**" or "**Giglio Group**") makes available to you an Explanatory Report (hereinafter, the "Report") on the first and second items on the agenda for the extraordinary part of the Shareholders' Meeting convened with notice published on 18 October 2023, for 17 November 2023, at 12.00 on a single call, to discuss and resolve on the following:

## **Agenda**

### **EXTRAORDINARY PART**

1. Paid increase in share capital, in tranches, with exclusion of the option right pursuant to paragraphs 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend rights, to be paid in cash, reserved for the controlling shareholder and other qualified or institutional investors; consequent modification of Art. 6 of the Company's By-laws. Resolutions pertaining thereto and resulting therefrom.
2. Granting of an authorisation to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital via a paid increase in tranches without option rights for an amount of € 5,000,000.00 including any share premium, to be subscribed by 31 December 2023 and to be carried out in one or more tranches within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as the outstanding ones and regular dividend rights, with the exclusion of the option right pursuant to paragraphs 5 and 6 of Art. 2441 of the Italian Civil Code, to be paid in cash, reserved for the controlling shareholder and other qualified or institutional investors; consequent modification of Art. 6 of the Company's By-laws. Resolutions pertaining thereto and resulting therefrom.

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### **1. Preamble**

- A. On 17 November 2023, the Extraordinary Shareholders Meeting of the Company (the "**Meeting**") is called to resolve upon (i) the paid share capital increase in tranches and with the exclusion of the right of option, pursuant to the par. 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend, to be released in cash, reserved for the Majority Shareholder (as defined below) and other qualified or institutional investors (the "**Share Capital Increase**" or the "**Transaction**"), as well as (ii) the granting of the proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital for a fee and in tranches with the exclusion of the right of option, pursuant to par. 5 and 6 of the art. 2441 of the Italian Civil

Code, for the part of the Share Capital Increase not subscribed by the deadline of 31 December 2023, to be carried out in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as the outstanding ones and regular dividend, to be released in cash, reserved for the Majority Shareholder and other qualified or institutional investors (the "**Proxy**").

- B. As of 12 September 2023, before the approval of the Interim Condensed Consolidated Financial Statements, (as also indicated in the same Interim Condensed Consolidated Financial Statements as of 30 June 2023 - see in particular par. 16 on "Going concern" - and in the Auditing Company's Limited Audit Report containing the opinion [which did not highlight any finding] on the Interim Condensed Consolidated Financial Statements as of 30 June 2023 - see in particular par. 4 of the "Information Request") some expressions of interest were received for a total of € 4.9 million, of which two of a binding nature for € 1.4 million received from related parties Meridiana Holding S.p.A. ("**Meridiana**" or the "**Majority Shareholder**") e Luxury Cloud S.r.l. ("**Luxury**"), the latter company headed by the executive director and vice-president Anna Maria Lezzi; furthermore, Meridiana has undertaken to guarantee, if other investors do not join, the Share Capital Increase up to the maximum amount of € 3 million.
- C. For this reason, a capital increase of up to € 5 million is proposed to the Shareholders' Meeting, which can be achieved, in part, following the meeting resolution and, for a second part, in the event of failure to fully subscribe, through the exercise of the Proxy at a later stage.
- D. The Transaction referred to in item 1 of the agenda will be carried out via a private placement procedure compliant with market practice, including, where appropriate, that of accelerated bookbuilding (hereinafter "**ABB**") and evaluated with the support of MIT SIM S.p.A. which was assigned the role of "**Advisor**" and "**Arranger**" of the Operation. It is understood that the subscription by Meridiana and Luxury (jointly the "**RPT Shareholders**") will take place at the price established through the ABB procedure, without any possibility for them to participate in any way in the negotiation of this price.
- E. The Transaction referred to in item 2, which is the subject of the Proxy, will be carried out in the manner deemed most appropriate in relation to the market context by the Board of Directors, in exercise of the proxy pursuant to Art. 2443 of the Italian Civil Code, ensuring consistency with the methods established by the Shareholders' Meeting in relation to the Share Capital Increase referred to in item no. 1 of the agenda.

This Report, drawn up pursuant to Art. 2441, par. 6 of the Italian Civil Code and Art. 72 of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated ("**Consob Regulation**") and, in particular, in accordance with Annex 3A, scheme no. 2 of the same is aimed at providing information on the proposal on the agenda.

This Report is made available to the public according to the terms and conditions set forth

by law.

## **2. Reason and Destination of Capital Increase**

The Board of Directors believes that, as a whole, the Capital Increase is useful for the Company, as it would allow it to find financial resources aimed at allowing the strengthening of its capital position, connected to the existence of the assumption of business continuity.

The strengthening of the Company's economic and financial position determines, in general, a significant improvement of one of the main parameters that credit institutions take into account when assessing the creditworthiness of an enterprise.

Furthermore, if the Share Capital Increase is actually carried out to the extent of at least € 3 million, the Company will emerge from the situation of losses of more than a third of the share capital that occurred, in the financial statements of the Parent Company, due to the losses in the years 2020 and 2021, postponed again to the following years pursuant to the so-called Liquidity Decree, according to the figures present in the Financial Statements of the Parent Company as of 31 December 2022, which indicates a Net Equity equal to € 408,000 on a current share capital of € 4,394,000 (see the paragraph on business continuity of the Financial Statements as of 31 December 2022).

At present, as shown in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 (see in particular par. 16 on "Going concern") and by the Auditing Company's Limited Audit Report containing the opinion (which did not highlight any finding) on the Interim Condensed Consolidated Financial Statements as of 30 June 2023 (see in particular par. 4 of the "Information Request"), the Company needs to implement the capital strengthening initiatives already envisaged and made possible by the commitments received and the non-binding expressions of interest collected.

Moreover, this Share Capital Increase is one of the fundamental components of the financial planning already expressed in the 2023-2027 Industrial Plan approved by the shareholders on 30 March 2023, which provides for the coverage of the group's financial needs through both its own resources and third-party financing, as well as one of the components indicated in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 as "Activities implemented to allow the Group to operate as a going concern".

In this regard, the relevant passage from the Interim Condensed Consolidated Financial Statements is reported for completeness: *"Following the final figures as of 30 June 2023, the Directors highlight the activities implemented to allow the Group to operate as a going concern, namely:*

*1. The negotiation occurred with banking institutes in order to support the working capital required to foster the e-commerce business and its distribution of fashion goods, as demonstrated by the activation of several financing agreements both in 2022 and in the beginning of 2023. For this purpose, it is noted that, on 2023 Q1, the subsidiary Salotto di Brera S.r.l. subscribed two financing agreement of € 2.5 million and € 1 million respectively with Banca Progetto, upon the issue of the guarantee from SACE, thus confirming the reliability towards leading credit institutions. Furthermore, on 9 June 2023, a loan contract with Simest guarantee was stipulated for the subsidiary E-Commerce Outsourcing*

amounting to a total of € 520 thousand, of which € 130 thousand was non-repayable. The first tranche of the loan for € 260,000 was collected on 13 July 2023. The Industrial Plan 2023/2027 takes into account the increased interest rates on payables to credit institutions compared to the contractual rates recorded in the year ended 31 December 2022;

2. The agreement reached with the shareholder Meridiana Holding S.p.A. of 11 May 2023, through which the residual debt relating to the loans disbursed for € 472,000 were converted into account for future capital increases;

3. On 28 June 2023, SACE, as guarantor of the bond loan, gave consent to the bond holder EBB S.r.l. upon grant of the waiver under the following terms and conditions: - Consent relating to non-compliance with the financial parameters "leverage ratio" and "gearing ratio" (covenant holiday) is granted in relation to all the verification dates until full repayment of the bond loan. However, the commitments referred to in clause 11.2 (Disclosure Commitments) of the regulation of the bond loan by Giglio Group S.p.A. remain in force; - Therefore the surety commitment of Meridiana Holding pursuant to Article 10 ("Regulation of the Loan, Financial Parameters and Further Commitment of the Guarantor") is to be considered no longer in force. In any case, it is understood between the parties that all other obligations and duties assumed by Meridiana Holding Srl pursuant to the guarantee and indemnity agreement dated 10 March 2020 shall remain in force and fully exercisable. In view of the above, it should be noted that with reference to the guarantee and indemnity agreement dated 10 March 2020, the guaranteed amount referred to in premise D is thus understood to be confirmed at € 1,500,000 together with the commitment to grant a pledge on the shares of Giglio Group S.p.a. for a total of € 4,152,000 in favour of SACE. The parties agree as of now that the pledge does not imply the possibility of exercising voting rights. The effectiveness of the consent expressed was ratified following receipt of the acceptance of the letter of consent countersigned by Giglio Group S.p.a., sent on 29 June 2023.

4. The commitment of the parent company Meridiana to guarantee the capital increase in the minimum amount of € 3 million and, therefore, in an amount exceeding € 1 million than that defined for the purposes of the Industrial Plan 2023-2027; reference is made to what was reported in the minutes of the Board of Director' Meeting of 15 December 2021, whose agenda reported that "A delegation for increases in kind is currently still open, exercisable for five years from the date of the resolution which allows the administrative body to increase the company's share capital for a maximum amount of € 366,133.70 (10% of the then existing capital) in addition to the premium. To this, a proxy for simplified increases up to 10% of the existing capital as of today shall be available, pursuant to Art. 2441, par. 4, second sentence, that is, also a wider proxy with ordinary procedure." Moreover, it is noted that, with regard to the capital increase of the Parent Company Giglio Group S.p.A., the Board of Directors held on 14 September 2022 vested the Chairman with the power to carry out all preparatory activities needed to execute said capital increase. The share capital increase can be carried out in the last quarter of 2023, as foreseen in the 2023-2027 budget/plan approved by the directors. As of 12 September 2023, some expressions of interest had been received for a total of € 4.9 million, of which two, of a binding nature, were received from related parties for € 1.4 million. Such expressions of interest received from third parties are subject to the successful completion of accounting and management due diligence, as well as verification of the conditions,

*timing and issue price of the new shares. As already indicated, the parent company Meridiana has confirmed its commitment to guaranteeing the capital increase to the minimum extent of € 3 million, taking into account that the expressions of interest received from third parties may not materialize or may materialize to a lesser extent than the quota of € 3 million.*

*5. The commitment of the shareholder Meridiana Holding S.p.A. to guarantee the necessary liquidity to support the Industrial Plan 2023/2027, with particular reference to the fulfilment of the commitments foreseen for the 2024 financial year."*

This transaction will be able to strengthen the Company which, as of 30 June 2023 and despite maintaining a negative group net equity, had a net result close to break-even, negative for € 30,000, an improvement if compared to the same period of the previous year when it amounted to € -252,000.

With the support of the same person who will act as Arranger, the Board of Directors also considered - in consideration of the status of company listed on the Italian Telematic Market of Borsa Italiana, the liquidity of the share security and the institutional investors currently present - to carry out the Share Capital Increase by resorting to the ABB procedure, believing that this procedure, as well as many similar ones, allows the identification, according to market criteria, of the subscription price for all recipients of the Share Capital Increase.

In this regard, the Arranger shall manage the ABB procedure in such a way as to guarantee that Meridiana's offer and that of Luxury do not contribute to forming the issue price of the resulting shares from the Capital Increase. It should be noted that the Company, in assessing the opportunity to carry out a capital increase, made use, as already mentioned, of the activity of MIT SIM S.p.A., an Italian company that provides investment services and which has already maintained relationships with the Society.

The Board of Directors, when identifying the operators to which the Capital increase is reserved, took into consideration the following:

- (i) The need to quickly implement the Share Capital Increase, taking into account the Company's interest in strengthening the group's net equity by the end of the 2023 financial year;
- (ii) The interest in addressing the Share Capital Increase also to parties willing to support the Company in the medium-long term, taking into account the need to have both partners with the characteristics of institutional or professional investors and reference partners who guarantee a stable and long-lasting shareholder structure;
- (iii) The opportunity to consider the binding expressions of interest indicated above in the Introduction, amounting in total to € 1,400,000, including the Majority Shareholder's guarantee for the subscription of a capital increase of € 700,000, also through the use of credits already transformed in shareholder equity financing, as well as the expression of interest from the Luxury Cloud company

for € 700,000, headed by the executive director and vice-president Anna Maria Lezzi.

In light of these considerations, the Board of Directors has decided to address the Share Capital Increase to institutional investors, and in particular to the following categories of subjects: (i) Italian "*qualified investors*" - as defined in Art. 34-ter, par. 1, letter. b), of the Consob Regulation, (ii) foreign "*institutional investors*" (with the exclusion of the United States and any other country in which the offer or sale of the shares being offered are prohibited by law or in the absence of exemptions), and, in any case, to all the subjects who have submitted expressions of interest, binding or non-binding, including the Luxury company headed by the executive director and vice-president Anna Maria Lezzi.

Moreover, the Board of Directors deemed it fit to maintain, albeit as a residual guarantee, the support of the majority shareholder who shall thus help create a stable ownership structure that is willing to support the Company's growth on the medium/long-term. In this sense, the Share Capital Increase may also be subscribed in any case by the Majority Shareholder, in execution of the expression of interest transmitted and the commitment to guarantee, if no other investors participate, up to a maximum amount of € 3 million.

Therefore, the Majority Shareholder shall have, following the Transaction, the obligation to inject the agreed financial resources as risk capital, regardless of external variables, including extraordinary ones, which could possibly lead him to reconsider the opportunity of own investment.

### **3. Reasons for the Exclusion of Option Rights**

The Board of Directors believes that the exclusion of the option right responds to a specific social interest for the reasons already mentioned in the previous paragraph and further argued below.

The proposed Share Capital Increase operation pursues the aim of allowing the Company to quickly and efficiently find risk capital to be used in order to strengthen the net equity for the reasons indicated above, and more generally for the development of the Company and of the group.

In this spirit, the Board, as already mentioned, decided to reserve the Capital Increase: (i) to national and international institutional investors, not only because this accounts for a fast and efficient way to find risk capital to be employed for the strengthening of the consolidated net equity, but also because these investors are more willing to sustain their investment for a medium/long-term; and (ii) to the Majority Shareholder and Luxury on a residual basis, as provided by the expressions of interest transmitted by the RTP Shareholders.

The Capital Increase pursues the Company's interest in purchasing immediate liquidity both for favouring the permanence and the introduction within the capital of shareholders who, due to their nature of institutional investors, have an interest in preserving their investment in Giglio in the medium/long-term, are open to dialogue with the Company and do not have any speculative purposes, so as to give a greater stability to the stock.

As for the second requirement, also taking into account the expressions of interest of the aforementioned related parties, their participation in the Transaction guarantees the positive outcome of the Transaction itself, for up to € 3 million, which is the amount indicated in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 and in the Limited Audit Report of the Auditing Company (which did not highlight any finding) on the Interim Condensed Consolidated Financial Statements as of 30 June 2023.

For all these reasons, the Board of Directors believes that the Share Capital Increase can be achieved by excluding the option right, in accordance with the provision contained in the Giglio company By-laws (the "**By-laws**"), in compliance with par 5 and 6 of Art. 2441 of the Italian Civil Code.

#### 4. Effects of the Transaction on the Group's Financial Liabilities and Structure

The following table shows the effects of an hypothetical Capital Increase in kind of € 3,000,000, subscribed with the issue of no. 5,976,095 shares without nominal value and with a unit price of € 0.502 per share on the Group's financial liabilities and structure. This amount was determined by applying the price criterion based on the weighed average of the official price of Giglio Group's shares over the last three months before 13 October 2023 (and hypothesising a 20% maximum applicable corrective).

The simulations (in the present as in the following paragraph) are carried out on the hypothesis of an increase of € 3 million corresponding to the amount guaranteed by the Majority Shareholder, provided that, if the increase were of a value greater than up to € 5 million, the effects would be of greater benefit.

It is noted that the figures of the Financial Statements as of 30 June 2023 were used as a reference; the Statements were approved by the Board on 12 September 2023 and subject to limited audit by the Auditing Company (and are available on the authorised storage mechanism at [www.emarketstorage.it](http://www.emarketstorage.it), but also on the Company's website in the "Investor Relations - Financial Reports" section).

The Company's pro forma financial liabilities benefited from a greater liquidity equal to € 2,378,000. The Share Capital Increase for a total of € 3,000,000 entails a potential cash and cash equivalents increase of € 2,378,000, taking into account the estimated burdens to be borne (equal to € 150,000) and the € 472,000 already paid as of 30 June 2023 into the future capital increases' account;

##### Financial liabilities

<b>(Euro thousands)</b>		<b>Giglio Group 30/06/2023</b>	<b>Share capital increase</b>	<b>Giglio Group 30.06 2023 pro forma</b>
A	Cash and cash equivalents	3,068	2,378	5,446
B	Cash and cash equivalents			-
C	Other current financial assets	2		2
<b>D</b>	<b>Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>3,070</b>	<b>2,378</b>	<b>5,448</b>
E	Current financial liabilities	(1,928)		(1,928)

	<i>of which with Related Parties</i>	-	-
F	Current part of the non-current financial liabilities	(5,641)	(5,641)
<b>G</b>	<b>Current financial liabilities (E)+(F)</b>	<b>(7,569)</b>	<b>-</b>
<b>H</b>	<b>Net current financial liabilities (G) - (D)</b>	<b>(4,499)</b>	<b>2,378</b>
I	Non-current financial liabilities	(8,501)	(8,501)
	<i>of which with Related Parties</i>	-	-
J	Debt instruments	(2,635)	(2,635)
K	Non-current trade and other payables	(2)	(2)
<b>L</b>	<b>Non-current financial liabilities (I)+(J)+(K)</b>	<b>(11,139)</b>	<b>-</b>
<b>M</b>	<b>Total financial liabilities (H)+(L)</b>	<b>(15,638)</b>	<b>2,378</b>

## 5. Pro forma Financial and Economic Effects

The following table shows the financial and economic effects of a Capital Increase in kind of € 2,850,000 on the Group, net of charges; the improvement of the net equity is counterbalanced by an increase in liquidity as shown below:

### Statement of financial position

<b>(Euro thousands)</b>	<b>Giglio Group 30/06/2023</b>	<b>Share capital increase</b>	<b>Giglio Group 30.06 2023 pro forma</b>
Intangible Assets	15,401		15,401
Property, Plant and Equipment	663		663
Financial Fixed Assets	261		261
<b>Total Fixed Assets</b>	<b>16,325</b>	<b>0</b>	<b>16,325</b>
Inventories	953		953
Trade receivables	12,053		12,053
Trade payables	-13,300		-13,300
<b>Operating/Commercial Working Capital</b>	<b>-294</b>	<b>0</b>	<b>-294</b>
Other current assets and liabilities	-4,658		-4,658
<b>Net Working Capital</b>	<b>-4,952</b>	<b>0</b>	<b>-4,952</b>
Provisions for risks and charges	-382		-382
Deferred tax assets and liabilities	941		941
<b>Net Invested Capital</b>	<b>11,933</b>	<b>0</b>	<b>11,933</b>
<b>Total Net Invested Capital</b>	<b>11,933</b>	<b>0</b>	<b>11,933</b>
<b>Equity</b>	<b>3,746</b>	<b>-2,378</b>	<b>1,368</b>
<b>Minority interest in equity</b>	<b>-39</b>		<b>-39</b>

Cash and cash equivalents	3,068	2,378	5,446
Current financial receivables	2		2
Current IFRS 16 financial liabilities	-162		-162
Current financial liabilities	-7,408		-7,408
Non-current IFRS 16 financial liabilities	-293		-293
Non-current financial liabilities	-10,844		-10,844
Non-current trade and other payables	-2		-2
<b>Net financial liabilities</b>	<b>-15,640</b>	<b>2,378</b>	<b>-13,260</b>
<b>Total Sources</b>	<b>-11,933</b>	<b>0</b>	<b>-11,933</b>

The reclassified pro forma Statement of Financial Position used as a reference the figures of the Interim Financial Statements as of 30 June 2023. The values are in Euro.

The accounts that constitute the pro forma Statement of Financial Position are described below:

- A. Net equity equal to € 2,850,000. The Capital Increase for a total of € 3,000,000 given by the issue of no. 5,976,096 shares with a unit price of € 0.502 must take into account the estimated burdens to be borne (equal to € 150,000). These burdens, being incremental costs directly related to the Capital Increase, shall be recognised directly to net equity as a reduction of the share premium reserve, pursuant to IAS/IFRS accounting standards;
- B. Cash and cash equivalents for € 2,378,000. The Share Capital Increase for a total of € 3,000,000 entails a potential cash and cash equivalents increase of € 2,378,000, taking into account the estimated burdens to be borne (equal to € 150,000) and the € 472,000 already paid as of 30 June 2023 into the future capital increases' account and recorded in the shareholders' equity as of that date.

## 6. Effects on the Unit Price of the Shares and Dilution

The dilution effect for Giglio's shareholders arising from the Share Capital Increase equal to € 3 million can be quantified to a maximum of 21.38% of the Company's share capital.

As a matter of fact, by taking into consideration an hypothetical shareholder who owns, before the Share Capital Increase, 1% of the Company's shares, equal to no. 219,680 shares, should the Share Capital Increase be carried out in its totality, said shareholder would own 0.78614% of the Company's shares (with a 21.38% dilution) given that he/she would then own the same number of shares against no. 27,944,117 total outstanding shares.

As a result of the subscription of the new shares by related parties, the ownership percentage of the group would be 60.149% for the majority shareholder Meridiana and 4.99% for the related company Luxury Cloud.

If the target capital increase for the entire proxy (€ 5 million) were to be achieved, the dilution effect for Giglio shareholders deriving from the capital increase would be quantified at a maximum of 31.2% of the company's capital. As a matter of fact, by taking into consideration an hypothetical shareholder who owns, before the Capital Increase, 1% of the Company's shares, equal to no. 219,680 shares, should the Capital Increase be

carried out in its totality, said shareholder would own 0.6880% of the Company's shares (with a 31.2% dilution) given that he/she would then own the same number of shares against no. 31,928,181 total outstanding shares.

## 7. Placement and/or underwriting syndicates

There are no placement or underwriting syndicates.

Nevertheless, the Company, in assessing the opportunity to carry out a capital increase, made use of the activity of MIT SIM S.p.A., an Italian company that provides investment services and which has already maintained relationships with the Society, also in dialogue activities with qualified or institutional investors.

## 8. Criteria for the Determination of the New Shares' Issue Price

The Share Capital Increase consists of a capital increase with the exclusion of the option right, pursuant to and for the purposes of Art. 2441, par. 6 of the Italian Civil Code.

Par. 6 of the same article provides that, in such circumstances, the issue price of the shares must be determined on the basis of the value of the net assets, taking into account, for shares listed on regulated markets, also the price performance of the last half-year.

It is noted that Giglio's shares, pursuant to Art. 6 of the Company's By-laws, have no nominal value; on the basis of the ratio between the share capital and the number of shares issued, said value amounts to € 0.20 per share.

The Group Net Equity resulting from the Interim Condensed Consolidated Financial Reports as of 30 June 2023 highlights a negative value (equal to € 3,707,000): therefore, based on this element, the shares in circulation would have, both pre and post money, an asset value lower than zero; thus it can hardly be considered as a reference parameter for setting the price since a determination of the same on the basis of the asset values would lead to a negative evaluation of the Company. The Board of Directors decided, with the support of the Advisor, to refer to the market values of the stock and, in particular, to the market values that take into account the most recent information on the economic-financial and equity situation of the Company, deeming that the average of the previous six months was for this reason not significant.

Therefore, we proceeded with the analysis of the market performance of the share in the three months preceding the date of 13 October 2023, the last reference date available for the relative calculation.

The following tables show average prices and weighed average prices according to the volumes traded of Giglio Group's shares with regard to the reference periods pointed out.

Euro thousands	Simple average	Weighed average for traded volumes	Maximum price for the period	Minimum price for the period
Last month <sup>(1)</sup>	0.583	0.591	0.638	0.536
Last three months <sup>(2)</sup>	0.614	0.628	0.678	0.536

(1) The averages and the maximum/minimum values refer to a time period that goes from 13/05/2023 to 13/10/2023.

(2) The averages and the maximum/minimum values refer to a time period that goes from 13/05/2023 to 13/10/2023.

The Advisor assessed various methods used in practice to determine the market value of the issue price and the data obtained and indicated are the result of its own sensitivity formed through daily comparison with the market and with institutional investors as there is no "issuer – capital increase – discount required" database.

More specifically, since the discount is a variable that is defined moment by moment, the indication expressed by the Advisor was formulated on the basis of past operations in which it was directly involved during the year 2023 and on the constant comparison with institutional investors.

Now therefore; the Advisor arrived at the conclusion that the most representative one, in the current market context and in relation to the investment attitudes of institutional investors for similar operations, is the so-called "stock-market prices" method. As a matter of fact, this method is believed to be adequate to represent the economic value of the Company, as the shares' listing price expresses the value that the market attributes to the traded shares, thus reflecting on the market's expectations with regard to the financial and economic performance of the Company at a given moment. In efficient financial markets, the prices that are created for shares with a good degree of liquidity tend to reflect the economic value attributable to the company from time to time.

In these circumstances, the Board of Directors did not apply control methodologies if compared to the stock market price method. This choice is attributable to the fact that, in the event of a capital increase with exclusion of the option right pursuant to par. 5 of Art. 2441 of the Italian Civil Code, the methodology based on stock market prices is generally considered adequate in itself in order to reflect the "market value" of the company pursuant to the aforementioned regulation and this decision of the Board of Directors is in line with the positions expressed in the legal theory and with what can be found in practice in similar operations.

For the purpose of correctly assessing the issue price, the Board carried out an analysis on some transactions that took place over the last 12 months, taking as point of reference both capital increase transactions (with or without exclusion rights) and the transfer of block of shares by relevant shareholders.

From the sample examined it emerged that the average price at which the transactions took place was calculated on the basis of the market price net of a discount of between 5% and 20%.

The application of a discount on the market price, in accordance with the prevailing practice for similar operations recently observed on the market, is mainly to be found: i) as a form of incentive for investors for an alternative investment method to direct purchase on the market in trading venue; ii) as a measure to compensate for the price fluctuation risk that the Company would bear if it placed on the market a number of shares equivalent to that underlying the offer in a diluted manner, and not accelerated through the aforementioned ABB procedure.

In light of the above, the Board of Directors, also considering that the Company, as highlighted above, is in the situation envisaged by the Art. 2446, par. 1 of the Italian Civil Code and presents the capitalization needs highlighted most recently in the Interim Condensed Consolidated Financial Statements as of 30 June 2023 and in the relevant Limited Audit Report by the Auditing Company, in order to deal with the aforementioned situation, it deems appropriate to apply as a corrective action to the formula used for the calculation of the issue price a discount rate of up to 20%, in line with the indications in the previous paragraph; the percentage indicated is within the sample analysed and takes into account that the current market context is characterized by a condition of reduced liquidity of securities and a contraction in investments by institutional investors.

Moreover, in line with a more conservative approach and for the purpose of waning any eventual period of greater volatility that may be recorded on the Company's stock, the Board of Directors decided to give more consideration to the weighed average rather than on the traded volumes in the three months before the subscription date, adjusted to the discount factor in line with the comparable transactions carried out on the Italian stock-exchange market in the assessed period.

The Board of Directors identified as its reference period the prices recorded over the last three months, weighed by the volumes recorded at the closing of each trading day. Indeed, considering that over the last month the average volumes of the Company's stock traded on the market and the average prices are slightly lower than the figures from the last three months of trading, the Board of Directors considers the recording made taking as reference the weighed average of the prices of the last three months as the most adequate one, given that the price is also in perfect line with the min/max price range recorded for both time horizons.

The inclusion, in the calculation, of averages with a longer time horizon than that identified, such as, for example, the 6-month period explicitly referred to in Art. 2441 of the Italian Civil Code, would entail the criticality of considering values and information that are not sufficiently updated, deriving from an economic and financial context, both national and international, that is no longer current, due, in particular, to the high volatility of share prices recorded during of the last few months due to elements of an eminently extraordinary nature which would make these prices not representative of the trend of the stock, volatility generated, specifically (i) by the unfavourable feedback from investors following the publication of the report on the audit of the draft consolidated financial statements as of 31 December 2022, which contains the declaration of impossibility to express an opinion on said financial statements and (ii) by the tensions that characterize the international geopolitical context following the recent war events in the Middle East. The observation of the weighted average over a shorter period of time also allows, in the specific case, to incorporate sufficiently up-to-date information on the underlying trends of the reference financial markets (linked, inter alia, to recent fluctuations in interest rates), as well as to include in the prices of the reference time interval the existence of updated accounting information (in particular that deriving from the Interim Condensed Consolidated Financial Statements as of 30 September 2023).

In short, over the chosen time horizon:

- The share prices have not shown significant fluctuations, except for the current negative economic situation which influences the performance of all securities: these prices are not, therefore, influenced by "anomalous" speculative movements;
- The stock is characterized by a trading volume substantially in line with the recent past;

The market prices of the reference time interval include the existence of updated accounting information. Moreover, the use of averages in the calculation, therefore not considering specific or very short-term values, also allows for possible distortions to be mitigated from the calculation results.

Based on the foregoing, the criterion for the determination of the price that the Board shall adopt is as follows:

*"Weighted average of the official price of Giglio Group's shares recorded on the last three market months before the day of issue times the daily volumes exchanged in the same period, to which a corrective discount between 5% and 20% must be deducted" (the "Price Criterion").*

The Board of Directors believes that the formula thus adopted is adequate and in line with the market standards for similar transactions.

## **9. Commitments of shareholders and other parties**

As already indicated in the introduction, as of 12 September 2023, before the approval of the Interim Condensed Consolidated Financial Statements, some expressions of interest were received for a total of € 4.9 million, of which two were received from related parties and of a binding nature for € 1.4 million.

More specifically, on 11 May 2023, Meridiana presented the "Binding Expression of Interest for participation in the Share Capital Increase up to a maximum of € 700,000.00" with which - following the previous "Expression of Binding Interest for participation in the Share Capital Increase up to to a maximum of € 500,000.00" - it made itself available to subscribe a capital increase for a maximum amount of € 700,000.00, taking into consideration that € 472,000.00 is already present in the Company's coffers as shareholder financing and can therefore be converted into capital expenditure. Moreover, Meridiana confirmed its commitment to guaranteeing the capital increase to the minimum extent of € 3 million, taking into account that the expressions of interest received from third parties may not materialize or may materialize to a lesser extent than the quota of € 3 million.

On 12 April 2023, Luxury presented the "Binding expression of interest for participation in the Share Capital Increase up to a maximum of € 700,000.00" with which - however subjecting the purchase to the accounting and management due diligence activity of positive outcome necessary for the completion of the Transaction (positive outcome obtained) - it made itself available to subscribe a share capital increase for a maximum amount of € 700,000.00.

For these reasons, the Share Capital Increase, taking into account the expressions of interest referred to in the previous paragraphs and the subscription commitment by

Meridiana for a maximum amount of € 2.3 million, could therefore also be subscribed (i) by Meridiana and/or Alessandro Giglio, controlling shareholder of the company and of Meridiana and (ii) by the company Luxury, headed by the director Anna Maria Lezzi, related parties of the Company with the consequence that the related subscription constitutes transactions between related parties relevant pursuant to the Procedure for Transactions with Related Parties adopted by the Board of Directors and in force at the date of this Report in the version last approved by the Board of Directors on 30 June 2021 ("**RPT Procedure**") and to the Consob Regulation. In particular, the amount of the possible subscription of the Share Capital Increase by Meridiana leads to the qualification of the subscription as a Transaction of Greater Importance pursuant to Art. 8.1 of the RPT Procedure, while any subscription by Luxury constitutes a Transaction of Lesser Importance pursuant to Art. 8.2 of the RPT Procedure. Nevertheless, the two transactions will be taken into account together.

Since it may be a transaction with related parties, the provisions aimed at ensuring the substantial and procedural correctness of the Transaction, such as those provided for by the RPT Procedure, apply.

#### **10. Period expected for the execution of the capital increase**

On 19 October 2023, the Internal Control, Risk and Related-Parties Committee, after having been constantly informed on the evolution of the Transaction since the arrival of the binding and non-binding expressions of interest, unanimously expressed a favourable opinion, of a binding nature, on the social interest, economic convenience and correctness, even substantial, of the Transaction and, therefore, on its completion.

On 22 October 2023, the Board of Directors, which had already met on 2 October 2023 to approve the guidelines of the Transaction and establish the date of the Meeting, approved the Report with the Share Capital Increase proposal.

For the first part, referred to in item 1 of the agenda, it is expected that the Share Capital Increase will be carried out by the end of 2023 financial year, while for the second part, referred to in item 2 of the agenda, within five years as per the approved proxy.

#### **11. Number, category and accrual date of newly issued shares**

For an amount of the Share Capital Increase equal to a maximum of 20% of the shares currently on the market (equal to 21,968,022 ordinary shares whose 20% is therefore equal to 4,393,604 ordinary shares), the admission to listing of the relevant shares on the Euronext Milan segment will be requested immediately after execution.

If the value between it and that subscribed by investors exceeds the value of 20% of the shares currently on the market, admission to listing will not be requested immediately, and shares with a different ISIN will be issued, although it is not ruled out that such admission may be requested subsequently.

The new shares will have regular dividend and, therefore, will guarantee the same rights as the Company's outstanding ordinary shares on the date of their issue.

#### **12. Amendments to Art. 6 of the By-laws and Right to Cancel**

As a result of the Share Capital Increase, it shall be appropriate to amend Art. 6 of the By-laws, introducing a new paragraph which takes into account the adoption of the relevant resolution by the Meeting.

The following table allows for the comparison between the current text of Art. 6 of the By-laws and the text that the Board of Directors proposes for adoption, in which the amendments related to the exercise of the proxy for the aforementioned capital increase are highlighted.

Current Text	Amended Text
<b>6 SHARE CAPITAL AND SHARES</b>	<b>Unchanged</b>
6.1 The Share Capital amounts to € 4,393,604.40 and is divided into no.21,968,022 without express nominal value.	Unchanged
6.2 Each share gives the right to one vote and may not be divided, except as provided for in the following paragraphs 6.2.1 and 6.2.4; the case of joint ownership is regulated by Art. 2347 of the Civil Code.	Unchanged
<p>6.2.1 In derogation from the previous paragraph, each share gives the right to two votes if the share was held by the same entity by virtue of a real right legitimising the exercise of the voting right for a continuous period of at least 24 months. The recurrence of this precondition shall also be attested by: (i) the continuous inclusion for a period of at least 24 months in the special list (hereinafter also referred to as the "List"); (ii) a specific notice attesting the continuous holding for a period of 24 months, released by the financial intermediary, with whom the shares are deposited pursuant to the current Law.</p> <p>The acquisition of the increased voting rights shall be obtained after three trading days of the month following the date of the beginning of the continuous period of 24 months, upon inclusion in the special list.</p> <p>The definition of share ownership shall be understood with reference to those shares whose voting right was held by the same entity on the basis of a real legitimising right, such as: (i) the full ownership of the share with voting rights, (ii) the bare</p>	Unchanged

<p>ownership of the share with voting rights; o (iii) usufruct of the share with voting rights.</p> <p>For this purpose, the Company shall establish and keep in its registered office, in the form and content foreseen by the applicable law, the List, where the shareholders who wish to benefit from shares with increased voting rights shall be included. For the purpose of being included in the Special List, the entity empowered pursuant to this article shall submit the appropriate application, attaching a notice attesting its shares' ownership - that can concern also only part of the shares owned by the shareholder - issued by the intermediary with whom the shares are deposited pursuant to the current Law. Increased voting rights can be requested also for only part of the shares owned by the shareholder. In the event of entities other than natural persons, the application shall specify whether the entity is under direct or indirect third-party control or not, and shall provide identification data for the eventual controlling party.</p> <p>The Company shall remove a shareholder from the Special List in the following cases: (i) waiver by the interested party; (ii) notice of the interested party or of the intermediary attesting the absence of the preconditions for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right; (iii) automatically, if the Company gave notice of the occurrence of the absence of the preconditions for the increased voting right or the loss of ownership of the real legitimising right and/or of the relative voting right.</p>	
<p>6.2.2 Pursuant to Art. 127-<i>quinquies</i>, par. 3, of Legislative Decree no. 58 of 24 February 1998, as amended (the "CFA"), the benefit of the increased voting right shall cease: (i) in case of transfer, free of charge or not, of the share, it being understood that "transfer" also means the granting of a pledge, an usufruct or any other restriction on the share, when this</p>	<p>Unchanged</p>

<p>entails the loss of voting right on behalf of the shareholder. In the hypotheses of free or paid transfer of only a part of shares with increased voting rights, the transferor shall maintain the increased voting rights on the remaining shares, and (ii) in case of transfer, direct or indirect, of controlling shareholdings in companies or entities that hold more shares with increased voting right than the threshold laid down in Art. 120, par. 2 of the CFA.</p>	
<p>6.2.3 Increased voting rights:</p> <p>a) Shall be kept in the event of inheritance due to death and in case of merger and division of the shareholder;</p> <p>b) Shall be extended to newly-issued shares in the event of capital increase pursuant to Art. 2442 of the Italian Civil Code;</p> <p>c) Shall be extended also to shares granted in exchange for shares with increased voting rights in the event of merger or division, if the related project so provides;</p> <p>d) Shall be extended proportionally to the shares issued upon execution of capital increase through new contributions (considering otherwise less incentivising the participation in the gathering of new risk capital by the shareholder who attained, or is about to attain, shares with increased voting rights).</p>	<p>Unchanged</p>
<p>6.2.4 The increased voting rights shall be counted after calculating the voting quorums, for constitution and passing resolutions, that refer to the share capital's rates but that do not have any effect on the rights, other than the voting one, entitled to shareholders in possession of specific share capital's rates.</p>	<p>Unchanged</p>
<p>6.3 Shares can be freely transferred pursuant to the Law and can be subject to pledge, usufruct and seizing.</p>	<p>Unchanged</p>
<p>6.4 Shares are nominal, indivisible and are placed in the book entry system subject to the current law and issued in the centralised management system of</p>	<p>Unchanged</p>

financial tools referred to in Art. 83-bis et seq. of the CFA.	
6.5 The quality of shareholder constitutes acceptance of these By-laws.	Unchanged
6.6 The Share Capital can be increased upon resolution of the Meeting also with the issuance of shares with different rights from the ordinary ones and with different contributions other than money, to the extent permitted by the Law. In the event of a Share Capital increase, upon resolution of the Meeting, the norms and conditions related to the issuance of the new capital, the dates and the payment modalities shall be determined by the Board of Directors. In the event of a paid Share Capital increase, the option right may be excluded with a Meeting resolution or, if appointed by proxy, with a Board of Directors' resolution, within the limits and the terms and conditions foreseen by Art. 2441, par. 4, first and second sentence, par. 5 and par. 8 of the Italian Civil Code.	Unchanged
6.7 The Meeting can grant directors with the power to increase once or more times the Share Capital pursuant to Art. 2443 of the Civil Code.	Unchanged
6.8 The Meeting shall be able to resolve the Share Capital decrease with the terms and conditions established by the Law.	Unchanged
6.9 On 12 November 2020, the Extraordinary Meeting resolved:  1) to give authorisation for the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code and to Art. 6.7 of the By-laws, for a period of five years starting from the date of the meeting's resolution (and, hence, until 12 November 2025), to increase the share capital upon payment in separate issues, without option rights pursuant to Art. 2441, par. 4, first sentence of the Italian Civil Code, for an amount of € 366,133.70 in principal, to be settled through contributions in kind (more specifically, company's branches, businesses or plants organised for the	Unchanged

<p>performance of the activities included in the Company's object, as well as receivables, investments in joint ventures, listed and not listed financial instruments and/or other assets considered as instrumental by the Board of Directors for the achievement of the Company's object may be object of a contribution on behalf of third parties.), through the issue, also in more tranches of a maximum of 1,830,668.50 ordinary shares without any nominal value, with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, in accordance with the criteria used to determine the issue price set forth by Art. 2441, par. 6 of the Italian Civil Code.</p> <p>2) to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors, provided that the issue price of the shares is based on the equity value, taking into account, for those shares listed in regulated markets, also the performance of the listings over the last six-months period;</p> <p>3) to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.</p>	
<p>6.10 On 23 June 2021, the Extraordinary Meeting resolved:</p> <p>1) to grant the authorisation of the Board of Directors (hereinafter also referred to as the "Stock-Option Authorisation") for a period of five years from the Meeting's resolution, to increase Giglio Group S.p.A.</p>	<p>Unchanged</p>

share capital against payment, pursuant to Art. 2443 of the Civil Code, in separate issues, excluding option rights, pursuant to Art. 2441, par. 8 and as far as applicable - par. 5 of the Civil Code, for a maximum amount of € 180,000, through the issue, also in more tranches, of a maximum of no. 900,000.00 ordinary shares without nominal value and with regular dividend, with the same characteristics of the ordinary shares already issued by the issue date, to be used only within the scope of the "Stock Option Plan 2021-2028", to be offered in subscription to executive directors and managers with strategic responsibilities of both the Company and its subsidiaries as identified by the Board of Directors pursuant to the provisions set forth in the Stock-Option Plan's Regulation, setting a specific term for the subscription and providing that, should the capital increase not be fully subscribed within said specific term, the capital shall be deemed increased of an amount equal to the subscriptions gathered up to that term;

2) to establish that the issue price of the shares resulting from the capital increase (and their division at share capital and share premium) shall be determined by the Board of Directors on the basis of the parameter determining the purchase price set forth in Art. 2441, par. 6 of the Italian Civil Code, and thus of the Net Equity value and of the arithmetic mean of official prices recorded by the Company's shares on the MTA segment organised and managed by Borsa Italiana S.p.A. in the six months before the Grant Date, save as otherwise amended as per regulation;

3) to vest the Board of Directors - and on its behalf the legal representative pro tempore, also with separate signing power - any widest authority for the execution of any required formality for the inscription of the adopted resolutions in the Companies' Register, accepting and introducing in the same any amendment, addition or non-substantive cancellation required by the

<p>competent authorities, as well as any authority required for the performance of the regulatory activities arising from the adopted resolutions.</p>	
	<p>6.11 On 17 November 2023, the Extraordinary Shareholders Meeting of Giglio resolved to (i) increase the share capital of the Company upon payment, in tranches and with the exclusion of the right of option, pursuant to the par. 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend, to be released in cash, reserved for the controlling shareholder and other qualified or institutional investors, as well as (ii) to grant a proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital for a fee and in tranches with the exclusion of the right of option, pursuant to par. 5 and 6 of the art. 2441 of the Italian Civil Code, for the part of the Share Capital Increase not subscribed by the deadline of 31 December 2023, to be carried out in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as the outstanding ones and regular dividend, to be released in cash, reserved for the controlling shareholder and other qualified or institutional investors.</p>

In the Board of Directors' opinion, this By-laws amendment cannot be ascribed to any amendment to which, pursuant to the current legislation, the shareholders' right to cancel can be applied.

### 13. Resolution Proposal

Dear Shareholders,

in light of the above, the following resolutions are submitted for your approval:

*"Giglio Group S.p.A. Extraordinary Shareholders' Meeting:*

- *Having examined the content of the Explanatory Report of the Board of Directors prepared pursuant to Art. 2441, par. 6 f the Italian Civil Code, Art. 72 of the Regulation*

adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and integrated, and Art. 125-ter of Legislative Decree no. 58/1998;

- Having examined the content of the disclosure document drawn up pursuant to Art. 12.2 of the Company's RPT Procedure and Art. 5 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated;
- Having taken note of the fair value analysis of the issue price of the shares issued by the Auditing Company Audirevi S.p.A.;
- Having taken note of the certification of the Board of Statutory Auditors, pursuant to Art. 2438 of the Italian Civil Code, that the share capital is fully subscribed and paid up;

## **RESOLVES**

### **As for item no. 1 on the Extraordinary Meeting's Agenda**

- To increase the share capital upon payment and in tranches, with exclusion of the option right pursuant to paragraphs 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend rights, to be paid in cash, reserved for the Majority Shareholder and other qualified or institutional investors;
- To set the price of said Share Capital Increase in accordance with the following formula: "Weighted average of the official price of Giglio Group's shares recorded on the last three market months before the day of issue times the daily volumes exchanged in the same period, to which a corrective discount between 5% and 20% must be deducted";
- To reserve the Share Capital Increase to institutional and qualified investors, including all parties who, as of the date of the Interim Condensed Consolidated Financial Statements as of 30 June 2023, have made binding or non-binding expressions of interest, as well as to the controlling shareholder, taking into account the commitments undertaken by the same;
- To carry out the capital increase through a private placement procedure compliant with market practice, including, possibly, accelerated bookbuilding, entrusted to an authorized intermediary, who will proceed with the identification of the non-related party investors and the price within the discount range defined above, without the participating related parties being able to influence the setting of the price;

### **As for item no. 2 on the Extraordinary Meeting's Agenda**

- To grant a proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital via a paid increase in tranches without option rights for an amount of € 5,000,000.00 including any share premium, to be subscribed by 31 December 2023 and to be carried out in one or more tranches within five years from the date of the resolution, through the issue of ordinary shares having the same

characteristics as the outstanding ones and regular dividend rights, with the exclusion of the option right pursuant to paragraphs 5 and 6 of Art. 2441 of the Italian Civil Code, to be paid in cash, reserved for the controlling shareholder and other qualified or institutional investors;

- To entrust, with reference to this Share Capital Increase, the determination of the price to the assessment that the Board of Directors will have to carry out at the time of exercising the proxy pursuant to Art. 2443 of the Italian Civil Code, according to a criterion consistent with that of the weighted average of the share market performance, with a maximum discount, adopted for the Share Capital Increase referred to in item no. 1 of the agenda, to be adopted with the assistance of a qualified advisor, in light of the market conditions existing at the time of the decision;

**As for item no. 1 and no. 2 on the Extraordinary Meeting's Agenda**

- To amend Art. 6 of the Company's By-laws, introducing par. 6.11, that shall read as follows: "On 17 November 2023, the Extraordinary Shareholders Meeting of Giglio resolved to (i) increase the share capital of the Company upon payment, in tranches and with the exclusion of the right of option, pursuant to the par. 5 and 6 of Art. 2441 of the Italian Civil Code, by the final deadline of 31 December 2023 for an amount up to a total of € 5,000,000.00, including any share premium, through the issue of ordinary shares having the same characteristics as the ordinary outstanding Giglio shares and regular dividend, to be released in cash, reserved for the controlling shareholder and other qualified or institutional investors, as well as (ii) to grant a proxy to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code to increase the share capital for a fee and in tranches with the exclusion of the right of option, pursuant to par. 5 and 6 of the art. 2441 of the Italian Civil Code, for the part of the Share Capital Increase not subscribed by the deadline of 31 December 2023, to be carried out in one or more tranches, within five years from the date of the resolution, through the issue of ordinary shares having the same characteristics as the outstanding ones and regular dividend, to be released in cash, reserved for the controlling shareholder and other qualified or institutional investors";
- To give a mandate to the CEO in order to execute the resolutions and to the deposit the updated By-laws, together with the certification of completion of the subscription of the Share Capital Increase, pursuant to Art. 2444 of the Italian Civil Code, also conferring onto him all the necessary powers, with the right to be replaced by special executives, to carry out minor amendments to the aforementioned resolutions that shall be deemed necessary or advisable in order to execute the capital increase approved above, to carry out all necessary deposits to the Companies Registration Office and/or to comply to any prescription of competent authorities."

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This Report has been approved by the Board of Directors of Giglio with a resolution on 22 October 2023.

Milan, 22 October 2023

For the Board of Directors  
CEO

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**Declaration of the Financial Reporting Officer with regard to the Company's accounting documents**

I, the undersigned Carlo Maria Micchi, Financial Reporting Officer of Giglio Group S.p.A., hereby declare, pursuant to Art. 154-bis, par. 2 of Legislative Decree no. 58 of 1998 (CFA), that the accounting information contained in the present Report corresponds to the accounting figures, books and documents.

**Financial Reporting Officer**

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**Carlo Maria Micchi**